

Chayo Group Public Company Limited

44/543-544 Phahonyothin Rd, Khwaeng Anusawari, Khet Bang Khen, BKK. 10220

- Translation -

CGC 020/2026

8 May 2026

Subject: Management Discussion and Analysis for the three-month periods ended 31 March 2026

To: The President
The Stock Exchange of Thailand

Chayo Group Public Company Limited would like to report the operating results for the three-month periods ended 31 March 2026 of the Company and its subsidiaries (“the Company”) as follows:

Operating results

	Company's Only				Consolidated			
	Jan - Mar 2025	%	Jan - Mar 2026	%	Jan - Mar 2025	%	Jan - Mar 2026	%
Interest income from loans receivable from purchase of accounts receivable	43,966,467	19.3%	17,286,565	12.2%	497,219,221	89.9%	430,360,507	91.5%
Interest income from loans to customer	-	0.0%	-	0.0%	34,246,330	6.2%	20,049,366	4.3%
Service income from debt collection services	15,245,292	6.7%	13,523,693	9.6%	8,883,284	1.6%	6,765,949	1.4%
Service income from recruitment services	-	0.0%	-	0.0%	8,201,341	1.5%	9,125,499	1.9%
Interest income from related parties and financial institutions	74,957,426	32.9%	76,274,555	54.0%	136,702	0.0%	269,494	0.1%
Dividend Income	79,197,260	34.7%	19,637,260	13.9%	-	0.0%	-	0.0%
Other incomes	14,725,761	6.5%	14,437,982	10.2%	1,451,793	0.3%	2,549,476	0.5%
Gain on disposal of properties foreclosed	-	0.0%	-	0.0%	2,979,347	0.5%	1,040,179	0.2%
Total revenues	228,092,206	100.0%	141,160,055	100.0%	553,118,018	100.0%	470,160,470	100.0%
Costs of render services and managing non-performing assets	(17,018,987)	-7.5%	(13,198,342)	-9.3%	(81,454,098)	-14.7%	(51,171,516)	-10.9%
Costs of recruitment services	-	0.0%	-	0.0%	(3,165,522)	-0.6%	(4,734,905)	-1.0%
Administrative expenses	(12,689,905)	-5.6%	(11,160,387)	-7.9%	(26,360,840)	-4.8%	(25,047,783)	-5.3%
Expected credit losses	(35,620,806)	-15.6%	(10,334,129)	-7.3%	(211,224,467)	-38.2%	(156,667,663)	-33.3%
Total expenses	(65,329,698)	-28.6%	(34,692,858)	-24.6%	(322,204,927)	-58.3%	(237,621,867)	-50.5%
Profit from operations	162,762,508	71.4%	106,467,197	75.4%	230,913,091	41.7%	232,538,603	49.5%
Finance costs	(63,580,857)	-27.9%	(63,249,858)	-44.8%	(74,069,224)	-13.4%	(70,795,641)	-15.1%
Operating profit – net of finance costs	99,181,651	43.5%	43,217,339	30.6%	156,843,867	28.4%	161,742,962	34.4%
Share of loss from investment in associate	-	0.0%	-	0.0%	(5,951)	0.0%	(828)	0.0%
Profit before income tax expenses	99,181,651	43.5%	43,217,339	30.6%	156,837,916	28.4%	161,742,134	34.4%
Income tax expenses	(4,176,419)	-1.8%	(4,681,669)	-3.3%	(48,726,428)	-8.8%	(39,270,231)	-8.4%
Net profit for the period	95,005,232	41.7%	38,535,670	27.3%	108,111,488	19.5%	122,471,903	26.0%
Other comprehensive income for the period	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total comprehensive income for the period	95,005,232	41.7%	38,535,670	27.3%	108,111,488	19.5%	122,471,903	26.0%
Total comprehensive income attributable to:								
Equity holders of the Company	95,005,232	41.7%	38,535,670	27.3%	80,161,032	14.5%	102,779,772	21.9%
Non-controlling interests of the subsidiaries	-	0.0%	-	0.0%	27,950,456	5.1%	19,692,131	4.2%
Total comprehensive income for the period	95,005,232	41.7%	38,535,670	27.3%	108,111,488	19.5%	122,471,903	26.0%
Earnings per share	0.08	n/a	0.03	n/a	0.07	n/a	0.09	n/a

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■ Total Income

In the first quarter of 2026, the Company had a total income of THB 470.16 million which decreased from the first quarter of 2025 by approximately THB 82.96 million (or 15.00%). The decrease was mainly attributable to the decline in interest income from loans receivable from purchase of accounts receivable (please see details in the table below) and interest income from loans to customer by THB 66.86 million and THB 14.20 million, respectively.

■ Interest income from loans receivable from purchase of accounts receivable

In the first quarter of 2026, the Company collected a total of THB 219.03 million from unsecured and secured non-performing loans, representing an increase of THB 19.47 million or 9.76% compared to the same period of the previous year. The increase was mainly attributable to higher collections from secured non-performing loans and cash received from the Legal Execution Department.

However, interest income from loans receivable from purchase of accounts receivable decreased compared to the same period of the previous year. The decrease was mainly attributable to the revision of cash flow projections for unsecured loan portfolios, particularly hire-purchase portfolios, during late 2025, which resulted in lower effective interest rate (EIR) income recognition.

	For the 3 months period ended 31 March 2025		For the 3 months period ended 31 March 2026	
	Million Baht	%	Million Baht	%
Interest income – EIR (Effective interest rate)	353.97	71.19	294.71	68.48
Interest income over EIR	143.25	28.81	135.65	31.52
Total interest income	497.22	100.00	430.36	100.00
Cash flows from debt collection are detailed as follows:				
- Unsecured loan	176.83	88.61	165.01	75.34
- Secured loan	15.61	7.82	30.93	14.12
- Cash received from Legal Execution Department	7.12	3.57	23.09	10.54
Total cash inflows from debt collection	199.56	100.00	219.03	100.00
Cash received from selling	15.74	n/a	2.71	n/a
Proceeds from the sale of collateral through the Legal Execution Department (not yet received cash)	8.40	n/a	13.19	n/a

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■ Service income from debt collection services

In the first quarter of 2026, the Company recorded service income from debt collection services of THB 6.77 million, representing a decrease of THB 2.11 million or 23.84% compared to the first quarter of 2025. The decrease was primarily attributable to the reallocation of certain collection staff to manage the Company's own purchased non-performing loan portfolios. However, segment revenue before intercompany elimination in the first quarter of 2026 was approximately THB 40.58 million, compared to THB 27.58 million in the first quarter of 2025.

■ Interest income from loans to customers

In the first quarter of 2026, the Company recorded interest income from loans to customers of THB 20.05 million, which decreased from the first quarter of 2025 by THB 14.20 million, or 41.46%. The decrease was mainly due to lower loan disbursements. Outstanding loans to customers as at 31 March 2026 and 31 March 2025 were THB 598.99 million and THB 839.42 million, respectively.

■ Service income from recruitment services

In the first quarter of 2026, the Company generated service income from recruitment services of THB 9.13 million, representing an increase of THB 0.92 million or 11.27% compared to the first quarter of 2025. The increase was mainly attributable to the increase in the number of clients, resulting in higher revenue from this business segment.

■ Other Income

In the first quarter of 2026, the Company recorded other income of THB 2.55 million, representing an increase of THB 1.10 million compared to the first quarter of 2025. The increase was mainly attributable to higher rental income.

■ Gain on disposal of properties foreclosed

In the first quarter of 2026, the Company recorded gain on disposal of properties foreclosed of THB 1.04 million, decreasing from the first quarter of 2025 by THB 1.94 million. The decrease was mainly attributable to lower sales of non-performing assets (NPAs) compared to the same period of the previous year. (NPAs arise from the acquisition of assets or collateral related to non-performing loans through auctions conducted by the Legal Execution Department.)

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Cost of rendering services and managing non-performing assets

In the first quarter of 2026, the Company incurred costs of rendering services and managing non-performing assets totaling THB 51.17 million, representing a decrease of THB 30.28 million or 37.18% compared to the first quarter of 2025. The decrease was mainly attributable to lower litigation-related expenses. The costs of rendering services and managing non-performing assets accounted for 10.9% of total revenue.

Cost of recruitment services

In the first quarter of 2026, the Company recorded costs of recruitment of THB 4.73 million, equivalent to 51.9% of Service income from recruitment services. The major costs of recruitment services mainly consisted of salaries and employee welfare expenses of operational staff.

Administrative Expenses

The Company's main administrative expenses consist of salaries, employee benefits and bonuses for staff and executives, audit fees, and business consulting fees. In the first quarter of 2026, administrative expenses totaled THB 25.05 million, representing 5.30% of total revenue, decreasing from the first quarter of 2025 by THB 1.31 million. The decrease was mainly attributable to effective personnel cost control, resulting in lower employee-related expenses.

Expected Credit losses

This expense occurred from the difference between the present values of future cash flows (PV) and the net book value of each loan. In case that PV was less than NBV, this amount would be recorded as expected credit losses according to financial reporting standard No.9 (TFRS9). In the first quarter of 2026, the Company recorded expected credit losses of THB 156.67 million, decreasing from the first quarter of 2025 by THB 54.56 million. The decrease was mainly attributable to the revision of cash flow projections for unsecured loan portfolios, particularly hire-purchase portfolios, during late 2025, resulting in lower expected credit losses expenses in this quarter.

Finance Costs

The Company's finance costs in the first quarter of 2026 decreased by THB 3.27 million compared to the first quarter of 2025. The decrease was mainly attributable to repayments of certain loans and debentures during the period.

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Income Tax Expenses

Income tax expenses in the first quarter of 2026 decreased from the first quarter of 2025 by THB 9.46 million. The decrease was mainly attributable to the recording of deferred income tax items, resulting in lower income tax expenses compared to the same period of the previous year.

Net Profit

The net profit for the first quarter of 2026 amounted to THB 122.47 million, which increased from the first quarter of 2025 by around THB 14.36 million (or approximately 13.28%), despite the decrease in total revenue compared to the same period of the previous year. The increase was mainly attributable to lower costs of rendering services and managing non-performing assets, lower expected credit losses, and lower finance costs, resulting in improved profitability of the Company.

Financial position

Total Assets

As of 31 March 2026, the Company had total assets of THB 8,854.17 million, an increase of THB 58.18 million, or 0.66%, compared to 2025. The primary factors contributing to this increase were:

- An increase in loans receivable from purchase of accounts receivable of THB 23.34 million,
- An increase in foreclosed assets of THB 309.49 million, and
- A decrease in loans to customers of THB 240.05 million.

Total Liabilities

As of 31 March 2026, the Company had total liabilities of THB 4,651.84 million, representing a decrease of THB 49.51 million or 1.05% compared to total liabilities as at 31 December 2025. The primary factors contributing to this decrease were:

- A decrease in debentures from repayments amounting to THB 94.16 million, and
- A decrease in borrowings from financial institutions of THB 6.92 million, while
- Corporate income tax payable and deferred income tax liabilities increased by THB 35.79 million.

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Total shareholders' equity

As of 31 March 2026, the Company had shareholders' equity of THB 4,202.33 million, representing an increase of THB 107.69 million compared to 31 December 2025. The primary factors contributing to this increase were:

- An increase of THB 102.76 million in unappropriated retained earnings, and
- An increase of THB 4.92 million in non-controlling interests of subsidiaries.

Debt to Equity ratio (Interest bearing)

- As of March 31, 2026, the Company's interest-bearing debt to equity ratio stood at 1.00 times.

Please be informed accordingly,

Sincerely Yours,

(Mr.Kitti Tungsrivong)

Deputy Chief Executive Officer